

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

LOK SABHA
UNSTARRED QUESTION NO 5291
TO BE ANSWERED ON 05TH APRIL, 2022

APPOINTMENT CRITERIA IN PRIMARY COOPERATIVE BANKS

5291. SHRI LAVU KRISHNA DEVARAYALU:

Will the Minister of COOPERATION सहकारिता मंत्री be pleased to state:

- (a) the circular issued in June, 2021 by the RBI on appointment criteria in primary urban cooperative banks;
- (b) whether the above circulars bars MPs, MLAs, Municipal Corporators from holding the position of Managing Director or whole-time Director of urban cooperative banks;
- (c) if so, the reasons therefor and whether it does not resort to proxy appointments and if so, the details thereof; and
- (d) whether this would lead to the centralization of the cooperative sector and if so, the details thereof?

ANSWER

MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)

(a) to (d): The Reserve Bank of India under the powers conferred under the Banking Regulation Act, 1949 (as amended), vide Circular dated June 25, 2021 issued directions regarding appointment of Managing Director (MD) / Whole-Time Director (WTD) in Primary (Urban) Co-operative Banks. Para 3.5 of the above Circular states that Member of Parliament or State Legislature or Municipal Corporation or Municipality or other local bodies are not eligible for appointment as Managing Director/ Whole-Time Director in Urban Cooperative Banks. They cannot hold the post of a Managing Director / Whole-Time Director in Urban Co-operative Banks as these posts are in the nature of full-time employment.
